



**Insurance and Real Estate Committee  
January 31, 2013  
American Cancer Society Cancer Action Network Testimony**

**SB 596 - An Act Concerning The Duties of the Connecticut Health Insurance Exchange.**

Good afternoon, my name is Michelle Wolf and I am Vice President of Health Initiatives for the American Cancer Society and an active member of our advocacy affiliate, The American Cancer Society Cancer Action Network (ACS CAN).

Throughout the health care reform legislative process, ACS CAN has used the “cancer lens” to focus our efforts on achieving specific goals within the legislation. Now, after shifting to implementation of the law, we continue to use the “cancer lens” to guide all of our recommendations.

The Patient Protection and Affordable Care Act (“PPACA”) requires the creation of state-based health insurance exchanges for individuals and small businesses to purchase insurance by January 1, 2014. Exchanges are essentially organized insurance marketplaces, which, if they are designed and function well, could provide consumers with a “one-stop shop” to compare and purchase health insurance and enroll in public coverage programs, as well as use the power of a large risk pool to generate competition among health plans based on quality and cost.

The Congressional Budget Office estimates that by 2019, they will serve as a gateway for an estimated 29 million consumers to access coverage. In Connecticut alone, it is estimated that the Exchange will cover one in ten consumers.

The Legislature along with input from stakeholders, experts, consumers and constituents, passed one of the strongest Exchange laws in the country, PA 11-53. The bill before you today, SB 596– An Act Concerning the Duties of the Connecticut Health Insurance Exchange, provides consumers another powerful tool by directing the Exchange to actively negotiate premiums with insurers to ensure better, more affordable rates.

Competition among insurers and the ability to negotiate rates result in reduced costs for purchasers. Larger pools of consumers provide for greater incentive for insurers to provide coverage and the exchange is expected to ultimately enroll hundreds of thousands of Connecticut residents. Smaller pools such as those in small businesses lack this negotiating strength and pay on average 18% more on health plans for their employees.

To best promote high quality care, innovative delivery system reforms, and for slowing the rate of growth of health care costs, exchanges should have the authority to be “active purchasers” when selecting participating health plans, as opposed to being required to allow every health plan that can meet the minimum requirements to participate. With this authority, exchanges could use their considerable market power and certification authority to limit exchange participation only to plans with a high level of quality and/or value when market conditions permit.

The new health insurance exchanges are critical to the success of health care reform. In order for cancer patients and their families to feel confidence and trust in their ability to access, choose, and purchase comprehensive health insurance that meets their needs, critical challenges related to the design, implementation and governance of these new exchanges must be met.

The American Cancer Society Cancer Action Network stands ready and willing to work with the members of this committee other members of the Legislature and all stakeholders to make the State Health Insurance Exchange a strong source of information and choices for consumers.

Thank you.

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